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SENATE BILL 201

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Carroll H. Leavell

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO MAGISTRATE RETIREMENT; INCREASING MEMBER AND
EMPLOYER CONTRIBUTIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 10-12C-10 NMSA 1978 (being Laws 1992,
Chapter 118, Section 10, as amended) is amended to read:

"10-12C-10. MEMBER CONTRIBUTIONS--TAX TREATMENT.--

A. Members, while in office, shall contribute [~~five
and one-half percent of salary~~] the following amounts to the
member contribution fund:

(1) through June 30, 2006, six and one-half
percent of salary; and

(2) on and after July 1, 2006, seven and one-
half percent of salary.

B. Upon implementation, the state, acting as

underscoring material = new
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1 employer of members covered pursuant to the provisions of the
2 Magistrate Retirement Act, shall, solely for the purpose of
3 compliance with Section 414(h) of the Internal Revenue Code of
4 1986, pick up for the purposes specified in that section member
5 contributions required by this section for all annual salary
6 earned by the member. Member contributions picked up pursuant
7 to the provisions of this section shall be treated as employer
8 contributions for purposes of determining income tax
9 obligations under the Internal Revenue Code of 1986; however,
10 such picked-up member contributions shall be included in the
11 determination of the member's gross annual salary for all other
12 purposes under federal and state laws. Member contributions
13 picked up pursuant to the provisions of this section shall
14 continue to be designated member contributions for all purposes
15 of the Magistrate Retirement Act and shall be considered as
16 part of the member's annual salary for purposes of determining
17 the amount of the member's contribution. The provisions of
18 this section are mandatory, and the member shall have no option
19 concerning the pick up or ~~[to]~~ concerning the receipt of the
20 contributed amounts directly instead of having the amounts paid
21 by the employer to the retirement system. Implementation
22 occurs upon authorization by the board. In no event may
23 implementation occur other than at the beginning of a pay
24 period applicable to the member.

25 ~~[C. The increase in member contributions provided~~

. 153552. 1

underscored material = new
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1 ~~for in this 2004 act is contingent upon the inclusion of not~~
2 ~~less than a six percent salary increase for justices and judges~~
3 ~~in legislation enacted into law by the second session of the~~
4 ~~forty-sixth legislature.]"~~

5 Section 2. Section 10-12C-11 NMSA 1978 (being Laws 1992,
6 Chapter 118, Section 11, as amended) is amended to read:

7 "10-12C-11. EMPLOYER CONTRIBUTIONS. --

8 A. The state, through the administrative office of
9 the courts, shall contribute [~~nine percent of salary for each~~
10 ~~member in office]~~ the following amounts to the fund:

11 (1) through June 30, 2006, ten percent of
12 salary for each member in office; and

13 (2) on and after July 1, 2006, eleven percent
14 of salary for each member in office.

15 B. Twenty-five dollars (\$25.00) from each civil
16 case docket fee paid in magistrate court and ten dollars
17 (\$10.00) from each civil jury fee paid in magistrate court
18 shall be paid by the court clerk to the employer's accumulation
19 fund. "

20 Section 3. EFFECTIVE DATE. --The effective date of the
21 provisions of this act is July 1, 2005.